

Aug. 20 / Administration of George W. Bush, 2001

Letter to Congressional Leaders Transmitting a Report on the Korean Peninsula Energy Development Organization  
August 14, 2001

Dear \_\_\_\_\_ :

I transmit herewith the semiannual report required under the heading “International Organizations and Programs” in title IV of the Foreign Operations Appropriations Act, 1996 (Public Law 104–107), relating to the Korean Peninsula Energy Development Organization (KEDO).

Sincerely,

GEORGE W. BUSH

NOTE: Identical letters were sent to Robert C. Byrd, chairman, and Ted Stevens, ranking member, Senate Committee on Appropriations, and C.W. Bill Young, chairman, and David R. Obey, ranking member, House Committee on Appropriations. This letter was released by the Office of the Press Secretary on August 20.

Letter to Congressional Leaders on Continuation of Export Control Regulations  
August 17, 2001

Dear Mr. Speaker: (Dear Mr. President:)

Pursuant to section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(b), I hereby report to the Congress that I have today exercised the authority granted by this Act to continue in effect the system of controls contained in 15 C.F.R. Parts 730–774, including restrictions on participation by U.S. persons in certain foreign boycott activities, that heretofore has been maintained under the authority of the Export Administration Act of 1979 (EAA), as amended, 50 U.S.C. App. 2401 *et seq.* In addition, I have made provision for the administration of section 38(e) of the Arms Export Control Act, 22 U.S.C. 2778(e).

The exercise of this authority is necessitated by the expiration of the EAA on August 20, 2001, and the lapse in the system of controls maintained under that Act that would result from such expiration.

In the absence of controls, foreign parties would have unrestricted access to U.S. commercial products, technology, and assistance, posing an unusual and extraor-

dinary threat to national security, foreign policy, and economic objectives critical to the United States. In addition, U.S. persons would not be prohibited from complying with certain foreign boycott requests. This would seriously harm our foreign policy interests, particularly in the Middle East.

Controls established in 15 C.F.R. Parts 730–774, and continued by this action, include the following:

- National security export controls restricting the export of goods and technologies that would make a significant contribution to the military potential of certain other countries and that would prove detrimental to the national security of the United States.
- Foreign policy controls that further the foreign policy objectives of the United States or fulfill its declared international obligations in such widely recognized areas as human rights, antiterrorism, regional stability, missile

technology nonproliferation, and chemical and biological weapons nonproliferation.

- Nuclear nonproliferation controls that are maintained for both national security and foreign policy reasons and that support the objectives of the Nuclear Nonproliferation Act.
- Short supply controls that protect domestic supplies, and antiboycott regulations that prohibit compliance with foreign boycotts aimed at countries friendly to the United States.

Consequently, I have issued an Executive Order (a copy of which is attached) to continue in effect all rules and regulations issued or continued in effect by the Secretary of Commerce under the authority of the EAA, and all orders, regulations, licenses, and other forms of administrative actions under the Act, except to the extent they are inconsistent with sections 203(b) and 206 of the International Emergency Economic Powers Act.

The Congress and the Executive have not permitted export controls to lapse since they were enacted under the Export Control Act of 1949. Any termination of controls could permit transactions to occur that would be seriously detrimental to the national interests we have heretofore sought to protect through export controls and restrictions on compliance by U.S. persons with certain foreign boycotts. I believe that even a temporary lapse in this system of controls would seriously damage our national security, foreign policy, and economic interests and undermine our credibility in meeting our international obligations.

The countries affected by this action vary depending on the objectives sought to be

achieved by the system of controls instituted under the EAA. Potential adversaries may seek to acquire sensitive U.S. goods and technologies. Other countries serve as conduits for the diversion of such items. Still other countries have policies that are contrary to U.S. foreign policy or nonproliferation objectives, or foster boycotts against friendly countries. For some goods or technologies, controls could apply even to our closest allies in order to safeguard against diversion to potential adversaries.

It is my intention to terminate the Executive Order upon enactment into law of new authorizing legislation for the U.S. export control regime. Such legislation is long overdue. The EAA is a Cold War statute that does not reflect and is ill-suited to deal with current economic and political realities. There is a strong need for a new statute to facilitate an effective modern export control regime—one that safeguards our national security and furthers our foreign policy objectives, while recognizing the current realities of today's fast-paced and dynamic business environment. I look forward to signing into law such legislation in the near future.

Sincerely,

GEORGE W. BUSH

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard B. Cheney, President of the Senate. This letter was released by the Office of the Press Secretary on August 20. The Executive order of August 17 is listed in Appendix D at the end of this volume.